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LISTING STATEMENT No. 2155

LISTED FEBRUARY 17th, 1964  
920,000 Common Shares without par value  
Ticker abbreviation "VMF"  
Dial ticker number 495  
Post section 2.6

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THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

**VERSATILE MANUFACTURING LTD.**

Incorporated under The Companies Act of Manitoba  
by Letters Patent of Amalgamation dated October 25, 1963.

Common Shares Without Nominal Or Par Value  
(Transferable in Toronto, Winnipeg, Calgary and Vancouver.)

CAPITALIZATION  
as at January 14, 1964

	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
Common Shares without nominal or par value .....	2,000,000	920,000	920,000

There is no funded debt outstanding.

January 14th, 1964

1. APPLICATION

The Company hereby makes application for listing on The Toronto Stock Exchange of 920,000 Common Shares without nominal or par value which have been issued and are outstanding as fully paid and non-assessable.  
None of the unissued common shares has been authorized for issuance.



2. HISTORY AND NATURE OF BUSINESS

Reference is made to page two of the Company's prospectus dated November 20, 1963, under the title, "*The Company*", for a short history of the Company from its inception to the date of application.

Reference is made to page two of the Company's prospectus dated November 20, 1963 under the title, "*Products Manufactured*" for a description of the nature of the business including principal products manufactured; to page three under the title, "*Market Area for the Company's Products*", and, "*Method of Distribution*" for the method of marketing and distributing the products; to page four under the title, "*Production and Sales Record*" for a tabulated description of the annual production for the preceding five years in physical units; to page five under the title, "*Management*" and "*Labour Relation*" for information about the number of employees of the Company. These Sections of the prospectus referred to herein, including the section entitled, "*New Product Development*" on page four, indicate clearly the business of the Company and the number of employees.

3. INCORPORATION AND CAPITAL CHANGES

Reference is made to page ten, paragraph two, and paragraph seven under the title of "*Statutory Information*" of the Company's prospectus dated November 20, 1963, for particulars of incorporation of the Company.

The Company's prospectus dated November 20, 1963, was in respect of a redistribution of 420,000 common shares without nominal or par value. Reference is made to paragraphs twelve, thirteen, fourteen, fifteen and sixteen under title, "*Statutory Information*" on page eleven of the prospectus for full particulars of the redistribution. Other than the redistribution referred to herein, there have been no issues of shares to the public during the past ten years.

4. STOCK PROVISIONS AND VOTING POWERS

The 920,000 shares of common stock without nominal or par value for which application for listing on The Toronto Stock Exchange is made herein are presently outstanding and no conditions are attached to them. The holders of the common shares are entitled to one vote at all meetings of shareholders in respect of each common share held.

5. DIVIDENDS

Reference is made to page twelve, paragraph thirty-two, under the title, "*Statutory Information*" of the Company's prospectus dated November 20, 1963, for particulars of dividends paid by the Company during the last ten years. No other dividends have been paid and there are no dividends in arrears.

6. PROPERTIES

Reference is made to page two of the Company's prospectus dated November 20, 1963, under the title "*Physical Plant and Equipment*" for a brief description of the properties and plant of the Company. On November 29, 1963, by way of agreement for sale, the Company sold its land and plant in the City of West Kildonan for \$148,000.00. The terms of sale were \$50,000.00 cash and the balance secured by a first mortgage on the property sold, is payable with interest at 6% per annum by monthly payments amortized over fifteen years with the balance then outstanding becoming due and payable on March 1, 1974. The sale price exceeded the book value after depreciation as stated in the balance sheet of the Company dated September 1, 1963.

7. SUBSIDIARY COMPANIES

The Company does not have any subsidiary or controlled companies.

8. FUNDED DEBT

There is no funded debt outstanding.

9. OPTION, UNDERWRITINGS, ETC.

There are no options, underwritings, sales agreements or other contracts or agreements of a like nature with respect to any unissued shares or any issued shares held for the benefit of the Company.

10. LISTING ON OTHER STOCK EXCHANGES

There are no securities of the applicant Company listed on any other stock exchange, nor has listing been suspended, withdrawn or refused.

11. STATUS UNDER SECURITIES ACTS

Reference is made to the supporting papers accompanying this application, and in particular, to photostatic copies of letters from the following authority and government bodies: Ontario Securities Commission, dated November 22, 1963; Quebec Securities Commission dated November 26, 1963; The Winnipeg Stock Exchange, dated November 27, 1963; Saskatchewan Securities Commission, dated November 28, 1963; Alberta Securities Commission, dated November 22, 1963; British Columbia Securities Commission, dated November 27, 1963, and to notarial certificates annexed to each of these documents stating that each letter is a true copy of an original letter.

12. FISCAL YEAR

The Company's fiscal year ends on August 31.



*A copy of this prospectus has been filed with the Provincial Secretary of the Province of Manitoba.*

*This Prospectus is not, and under no circumstances is to be construed as, a public offering of these shares for sale in the United States of America or in the territories or possessions thereof or an offering to any resident thereof or a solicitation therein of an offer to buy any of these shares.*

REDISTRIBUTION

# VERSATILE MANUFACTURING LTD.

*(Incorporated under the laws of Manitoba)*

## 420,000 Common Shares

(without nominal or par value)

Transfer Agent and Registrar:

MONTREAL TRUST COMPANY

Toronto, Winnipeg, Calgary and Vancouver

### CAPITALIZATION

	Authorized	Issued and Outstanding
Common shares without nominal or par value.....	2,000,000	920,000

These shares are being purchased from shareholders of the Company, and the proceeds of the sale thereof by us will not be paid into the treasury of the Company.

We, as principals, offer these shares, subject to prior sale and change in price, if, as and when accepted by us and subject to approval of all legal matters on behalf of the Company by Messrs. Walsh, Micay and Company, Winnipeg, and on our behalf by Messrs. Pitblado, Hoskin & Co., Winnipeg.

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**PRICE: \$5.00 per share**

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The right is reserved to reject any applications or to allocate a smaller number of shares than applied for.

It is expected that definitive share certificates in respect of the 420,000 common shares offered by this prospectus will be available for delivery on or about December 12, 1963.

## MIDLAND-OSLER SECURITIES LIMITED

LONDON	TORONTO	MONTREAL	NEW YORK	HAMILTON	KITCHENER
ST. THOMAS	BRANTFORD	WINNIPEG	REGINA	SASKATOON	CALGARY
EDMONTON	VANCOUVER	VICTORIA	SAULT STE. MARIE	SARNIA	





The following information has been supplied by officers of Versatile Manufacturing Ltd. in connection with the sale of the 420,000 common shares offered by this prospectus.

## THE COMPANY

Versatile Manufacturing Ltd. (hereinafter sometimes called "the Company") was incorporated by letters patent of amalgamation under The Companies Act of Manitoba on October 25, 1963, whereby 25 companies were merged to form one new company. (For convenience, "the Company" as used in this prospectus includes the predecessor companies collectively and Versatile Manufacturing Ltd.)

Of the predecessor companies included in the amalgamation, the principal one, Hydraulic Engineering Manufacturing Co. Ltd., was established in Greater Winnipeg in 1953 by Peter Pakosh and Roy E. Robinson. As the business expanded, other companies were incorporated to engage in the various phases of the business and by 1963 sixteen of the companies included in the amalgamation were engaged in corporate partnership manufacturing and distributing the Company's products. The other companies included in the amalgamation held real estate and patent rights, leased plant and machinery, sold parts or, in the case of two of the companies, were family holding companies of Messrs. Pakosh and Robinson.

The effect of the amalgamation is that all of the assets and liabilities of the predecessor companies as at August 31, 1963, have been assumed by the Company, and from September 1, 1963, the businesses formerly carried on by the predecessor companies are being carried on by the Company as one integrated business.

## PRODUCTS MANUFACTURED

The Company manufactures a line of agricultural farm machinery primarily restricted to equipment used in grain and hay harvesting operations of Western Canada and the Mid-Western area of the United States.

The Company manufactures the following "Versatile" farm machinery:

- Sprayers — Mobile boom-type in several tank and boom sizes.
- Grain Loaders—6" diameter auger-type loaders in three lengths.
- Swathers — Pull-type with power take-off, four models in 12', 15', 18' and 20' sizes.
- Swathers — Self-propelled—four models in 10', 12', 15' and 18' sizes.
- Hay-Crimpers—Designed as an attachment to the self-propelled swather line.

The Company owns United States patent number 2,882,753 dated April 21, 1959 and Canadian patent number 593,025 dated February 23, 1960 covering the steering and transmission unit used in its self-propelled swathers. Both patents are for 17 years from the date of grant. Use of the units covered by the patents in swathers manufactured by the Company makes the Versatile swather unique in its field. The Company has not encountered any infringements of its patent rights to date.

In addition to the manufacture of the farm machinery, the Company manufactures and maintains a complete stock of replacement parts. Each year the number of "Versatile" machines in use increases. Sale of replacement parts for these machines, therefore, will continue to correspondingly increase in future years.

Including all machines manufactured in a given year, about 65% of the factory cost is represented by components manufactured by the Company. The remaining 35% made up of such items as motors, hydraulic pumps, bearings, tires, etc., is obtained from outside sources. The Company believes that alternative sources of supply for components it does not manufacture are available at competitive prices from other suppliers.

## PHYSICAL PLANT AND EQUIPMENT

The Company's offices and plant are located in the City of West Kildonan, in the Greater Winnipeg area of Manitoba, on approximately two acres of land. The building contains approximately 48,000 square feet of manufacturing space and is fully equipped to manufacture the products made by the Company.

The Company is presently building a new plant on 37 acres of land located in the Municipality of Fort Garry, in the Greater Winnipeg area. When completed early in 1964, the new plant will contain approximately 173,000 square feet of manufacturing space, and office and engineering facilities of approximately 19,000 square feet. The new factory and office building, together with equipment, will cost approximately \$1,025,000, which will be provided from the Company's present cash resources.

The Company intends to centralize all production in its new plant as soon as practical. When this is accomplished the Company intends to sell its West Kildonan plant.



## MARKET AREA FOR THE COMPANY'S PRODUCTS

The Company sells its products under the trade name "Versatile" in both Canada and the United States. Its plant is advantageously located in Greater Winnipeg to manufacture and sell to the grain and hay producers of both countries. Because of its geographic location, the Company is able to obtain most of its basic manufacturing materials locally while component parts are either available locally or from sources reasonably close. Both finished products and component parts used in the manufacture of farm machinery move across the United States and Canadian borders duty free. Labour rates are reasonable in Greater Winnipeg and the labour supply is good.

In Canada, the Company markets its equipment in all Provinces west of Quebec with the majority of sales in Manitoba, Saskatchewan and Alberta. In the United States, equipment is sold in the States of North Dakota, South Dakota, Minnesota, Montana, Wyoming, Oregon, Texas, Colorado, Nebraska, Oklahoma and Pennsylvania.

The Company is ideally situated in relation to its main market area which fans out from Winnipeg directly south to Texas through the Northwestern portion of the United States and on to the Peace River district of Alberta.

## METHOD OF DISTRIBUTION

The Company employs its own sales and service personnel headed by Mr. R. E. Robinson, Vice-President, to call upon a network of 743 dealers and six distributors located in the Company's marketing area. Each salesman is assigned a sales territory, usually either a State or Province. The salesman often acts as the serviceman in his own territory. Salesmen are paid a basic salary, plus commission.

The Company's six distributors are generally located in the far western and far eastern portions of the Company's marketing area. These distributors sell and service dealers within their own territories. The Company services its dealers from a central parts depot at its Winnipeg plant. In addition, it maintains a parts depot in Fargo, North Dakota, and one of its distributors has an adequate parts inventory in Saskatoon, Saskatchewan, while the other five distributors maintain basic parts inventories. Because of the excellent transportation facilities leading out of Winnipeg, the Company is able to handle most of its dealer requests for parts within two days.

The following table gives the location of the Company's distributors and dealers:

Province or State	Number of Distributors	Province or State	Number of Distributors
Ontario.....	1	Saskatchewan.....	1
Pennsylvania.....	1	Colorado.....	1
Michigan.....	1	Oregon.....	1
Total Distributors.....	6		

  

Province	Number of Dealers	State	Number of Dealers
Manitoba.....	147	North Dakota.....	79
Saskatchewan.....	295	South Dakota.....	33
Alberta.....	98	Minnesota.....	50
British Columbia.....	4	Montana.....	13
Sub-Total.....	544	Wyoming.....	2
		Texas.....	4
		Colorado.....	4
		Nebraska.....	1
		Oklahoma.....	10
		Kansas.....	3
		Sub-Total.....	199
Total Dealers.....	743		

Most of the Company's dealers handle the Company's products in addition to those of a national or international manufacturer. A few independent dealers handle only smaller manufacturers' products such as those produced by the Company. The Company's policy has been to select dealers who are financially responsible and in a position to properly represent the Company. The financial strength of these dealers enables them to purchase in larger quantities while their financial stability indicates that they are successful implement dealers in their own right.

Dealers order machinery and implements from the Company and agree to pay for them at a specified due date. In addition the dealer signs a promissory note. The Company offers discounts for payments prior to the due date and charges carrying charges after the due date. Title to all goods remains in the Company until they are fully paid in cash.



The Company aids its dealer organization with a restricted advertising program. The general advertising policy is limited to use of farm newspapers. The Company also regularly sends circulars to its dealer organization by direct mail.

## NEW PRODUCT DEVELOPMENT

The manufacturing and sale of agricultural farm machinery is highly competitive. Competition is most severe in the simpler, less complicated types of machinery. Since it began business, the Company has devoted a great deal of time and money to research aimed at the development of more sophisticated machinery designed to serve the needs of the agricultural industry of Western Canada and the United States.

Early in 1953 research began on manufacturing a self-propelled swather. First models were introduced in 1954 and acceptance of this machine has continued to grow. Initial production in 1954 was 200 machines. During 1963, the Company produced and sold 2,200 self-propelled swathers. In 1959, the Company began development of a pull-type swather. The pull-type swather was introduced in 1961 in which year 250 machines were produced and sold. In 1963, production and sales of pull-type swathers rose to 1,400 machines.

In 1957, the Company's engineering and design department began work on the development of combines. The first machine developed was a pull-type combine. In 1960, the first prototype model of the pull-type combine was manufactured. Since that time an additional four have been made. These machines have undergone intensive field testing during the past four crop years. Improvements and adjustments have been made as a result of actual operating experience. The Company is presently tooling up for the production of its pull-type combine. Production during 1964 will be limited so that the Company will be in a position to follow closely the field operation of the machines it sells. Full production will commence in 1965. Versatile pull-type combines either with power take-off or motor-powered will be available with either 10 or 12 foot headers.

The Company's development program also includes the manufacture of self-propelled combines. In 1962, a prototype self-propelled combine was produced by the Company. After extensive field testing, improvements were incorporated into three additional self-propelled combines manufactured in 1963. Limited production of the self-propelled combine is scheduled to commence in 1965 with full production set for 1966.

The policy of the Company in its new product development program has been and will continue to be to develop farm machinery capable of better performance than other machines available at competitive prices.

## PRODUCTION AND SALES RECORD

The following table sets forth the number of machines, by class, the Company has produced and sold in each crop year since the implements entered full production.

	Sprayers	Grain Loaders	Draw* Bars	Crimpers	S.P. Swathers	P.T. Swathers
1953 Produced.....	500	4,500	500	-----	-----	-----
Sold.....	500	4,500	500	-----	-----	-----
1954 Produced.....	500	1,000	750	-----	200	-----
Sold.....	500	1,000	750	-----	200	-----
1955 Produced.....	500	1,500	700	-----	-----	-----
Sold.....	500	1,500	700	-----	-----	-----
1956 Produced.....	500	2,000	500	-----	200	-----
Sold.....	500	2,000	500	-----	200	-----
1957 Produced.....	600	2,000	500	-----	600	-----
Sold.....	600	2,000	500	-----	600	-----
1958 Produced.....	700	1,000	400	-----	600	-----
Sold.....	700	1,000	400	-----	600	-----
1959 Produced.....	500	1,010	500	-----	500	-----
Sold.....	500	1,010	500	-----	500	-----
1960 Produced.....	500	2,546	700	-----	800	-----
Sold.....	500	2,546	500	-----	800	-----
1961 Produced.....	600	1,500	-----	-----	1,000	250
Sold.....	600	1,500	200	-----	1,000	250
1962 Produced.....	1,000	1,000	-----	100	1,250	1,000
Sold.....	951	459	-----	100	1,217	1,000
1963 Produced.....	1,000	1,500	-----	150	2,200	1,400
Sold.....	1,049	1,492	-----	125	2,233	1,400

\* This line was discontinued at the end of the 1961 season.



## MANAGEMENT

Mr. Pakosh and Mr. Robinson founded the Company in 1953. Peter Pakosh, President of the Company, specializes in the production and engineering phases of the Company's operations. Roy E. Robinson, Vice-President, specializes in sales and administration.

Mr. Stephen Hrab, Manager, Production and Design, joined the Company in 1957. Prior to that time he was employed for 12 years by a large main-line manufacturer of farm equipment in Canada and Europe.

No change in this top management group is contemplated. As the Company's operations continue to expand and prosper, it will be necessary to augment this management team. With the past history of success and the promising future ahead, the Company should be able to attract high calibre additions to its management group.

## LABOUR RELATIONS

The plant employs about 150 people on the average, but considerably more during peak production periods. These men staff the machine shop, press, welding and paint departments, and the shipping and packaging departments.

Labour relations between the Company and its employees have been good. The men enjoy the privilege of dealing with management by way of an in-plant workers' association agreement and the Company has not been involved in strike or work stoppages of any nature resulting from labour relations.

## DIVIDEND POLICY

Since incorporation in 1953 the Company has reinvested virtually all of its net profits in its business. The Company has accumulated sufficient cash reserves to build and equip the new plant described in this prospectus. Based on present estimates of future capital requirements and subject to continuation of favourable profit trends it is the intention of the Board of Directors to declare dividends commencing in the current fiscal year.

## PAST EARNINGS

The following report has been received from the Company's auditors:

TO THE DIRECTORS OF

VERSATILE MANUFACTURING LTD.:

We have examined the combined statement of earnings of amalgamated companies forming Versatile Manufacturing Ltd. for the six years ended March 31, 1962 and for the periods ended November 30, 1962 (eight months) and August 31, 1963 (nine months) and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We were not engaged as auditors until after March 31, 1960 and the predecessor auditor was not present to observe physical inventories for the years ended March 31, 1956 to 1960. We have, however, satisfied ourselves by other auditing procedures as to these inventories. As stated in Note 3 to the combined statement of earnings of amalgamated companies, a physical inventory was not taken at November 30, 1962, but we have satisfied ourselves as to the fairness of the estimate thereof.

In our opinion the accompanying combined statement of earnings of amalgamated companies forming Versatile Manufacturing Ltd. presents fairly the results of operations for the six years ended March 31, 1962 and for the periods ended November 30, 1962 (eight months) and August 31, 1963 (nine months) in accordance with generally accepted accounting principles consistently applied.

DELOITTE, PLENDER, HASKINS & SELLS,

Chartered Accountants.

Winnipeg, Manitoba  
November 18, 1963.



# COMBINED STATEMENT OF EARNINGS OF AMALGAMATED COMPANIES (Note 1)

For the Six Years ended March 31, 1962  
and for the Fiscal Periods ended November 30, 1962  
(Eight Months) and August 31, 1963 (Nine Months)

Year ended March 31	Net sales	Earnings from operations before depreciation, amortization of patents and taxes on income	Depreciation	Amortization of patents	Taxes on income	Net earnings
1957.....	\$1,018,947	\$ 82,149	\$ 9,287	\$ .....	\$ 29,709	\$ 43,153
1958.....	1,261,570	107,788	16,155	.....	27,969	63,664
1959.....	1,320,273	137,365	17,857	.....	31,000	88,508
1960.....	1,941,013	291,986	19,383	5,882	100,562	166,159
1961.....	2,851,398	368,081	24,583	5,882	122,095	215,521
1962.....	2,109,892	324,860	22,536	5,882	63,368	233,074
Eight months ended Nov. 30, 1962.....	3,558,051	856,949	19,957	3,920	316,376	516,696
Nine months ended Aug. 31, 1963.....	5,327,402	1,460,730	20,235	4,413	543,242	892,840

**Note 1**—The above statement includes, after elimination of inter-group transactions, the earnings of the Hydraulic group of companies amalgamated as of September 1, 1963, to continue as one company under the name of Versatile Manufacturing Ltd. The Hydraulic group of companies and the respective years in which each commenced business (as shown in brackets) are as follows: Berry Enterprises Ltd. (1962), Fleet Enterprises Ltd. (1962), Worth Investments Ltd. (1962), Downing Holdings Ltd. (1961), Ingersoll Investments Ltd. (1961), Milford Investments Ltd. (1961), Sanford Investments Ltd. (1961), Borebank Investments Ltd. (1961), Chestnut Investments Ltd. (1961), Hydraulic Engineering Parts Ltd. (1959), Hydraulic Engineering Export Sales Ltd. (1958), Northern Royalties & Management Co. Ltd. (1958), Hydraulic Engineering Sales Manitoba Co. Ltd. (1957), Chelsea Investments Ltd. (1961), Camrose Holdings Ltd. (1963), Chambers Investments Ltd. (1963), Pittsburg Enterprises Ltd. (1962), Linden Enterprises Ltd. (1962), Harper Investments Ltd. (1962), Versatile Farm Equipment Ltd. (1963), Southern Investments Ltd. (1953), Bardal Investments Ltd. (1962), Albany Investments Ltd. (1962), Fort Garry Farm Services Ltd. (1957) and Hydraulic Engineering Manufacturing Co. Ltd. (1953).

**Note 2**—Net earnings for the year ended March 31, 1961 are after charging \$43,022 for the portion of a fire loss in that year not recovered from insurance.

**Note 3**—Net earnings for the eight months ended November 30, 1962, are based on estimated inventories of raw materials, goods in process and finished goods on hand at November 30, 1962. Physical inventories were taken as at March 31, 1962, and as at August 31, 1963, and earnings for the combined intervening periods of the eight months ended November 30, 1962, and the nine months ended August 31, 1963, are based on these physical inventories.

**Note 4**—Earnings for the nine months ended August 31, 1963, are not indicative of the earnings for a twelve month period ended on that date. The months of September, October and November which are not included are months in which lower earnings are normally experienced.

**Note 5**—Taxes on income levied by the Government of Canada have been assessed to March 31, 1961. Taxes on income shown above include the amount of taxes so assessed and the amount of taxes estimated for the subsequent periods not assessed. The taxes stated are the aggregate of the taxes assessed or estimated on the earnings of each of the companies now amalgamated. Had the business been operated as one company, it is estimated that the net earnings after taxes for the four preceding periods would have been approximately:

Year ended March 31, 1961.....	\$164,000
Year ended March 31, 1962.....	\$156,000
Eight months ended November 30, 1962.....	\$456,000
Nine months ended August 31, 1963.....	\$790,000

**Note 6**—Goodwill of \$110,000 and incorporation expense and trade marks of \$3,717 were written off at August 31, 1963, to earned surplus and are not reflected in the above statement of earnings.



## PRO FORMA BALANCE SHEET

## ASSETS

## CURRENT ASSETS:

Cash.....	\$1,150,369
Accounts receivable—trade, less allowance for doubtful accounts (\$43,436).....	1,598,373
Inventory of raw materials, goods in process and finished goods—valued at lower of cost or market.....	289,310
Prepaid expenses.....	4,006
Total current assets.....	<u>3,042,058</u>

## FIXED ASSETS—at cost:

Land.....	\$ 3,000
Buildings.....	111,743
Machinery and equipment.....	<u>152,184</u>
	266,927
Less accumulated depreciation.....	<u>121,849</u> \$145,078

## New plant property and construction in progress—Note 4:

Land.....	110,000
Advance on construction contract.....	35,000
Design and other preliminary costs.....	<u>4,539</u> <u>149,539</u>

Net fixed assets..... 294,617

PATENTS—at cost, less amounts written off..... 74,019

TOTAL..... \$3,410,694

The accompanying notes are

AUDITOR'S

TO THE DIRECTORS OF

VERSATILE MANUFACTURING LTD.:

We have examined the pro forma balance sheet of Versatile Manufacturing Ltd. and all the information and explanations we have required. Our examination was limited to and such tests of accounting records and other supporting evidence as we considered necessary.

In our opinion the above pro forma balance sheet read in conjunction with the financial statements presents a true and fair position of the company as at September 1, 1963, in accordance with the requirements of the Companies Act.

Winnipeg, Manitoba  
November 18, 1963.



ACTURING LTD.

AS AT SEPTEMBER 1, 1963

## LIABILITIES

### CURRENT LIABILITIES:

Accounts payable and accrued liabilities.....	\$ 478,998
Estimated income taxes payable.....	616,234
Total current liabilities.....	<u>1,095,232</u>

### COMMITMENT:

For construction of new plant and office building—\$990,000—Note 4.

### CAPITAL AND SURPLUS:

#### Capital:

Authorized—2,000,000 common shares without par value	
Issued and fully paid—920,000 common shares.....	\$ 192,486
Earned surplus.....	<u>2,122,976</u>
Total capital and surplus.....	2,315,462

### Approved on behalf of the Board:

PETER PAKOSH, Director

ROY E. ROBINSON, Director

TOTAL.....	<u><u>\$3,410,694</u></u>
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integral part of this statement.

## REPORT

Manufacturing Ltd. as at September 1, 1963 and have obtained  
ination included a general review of the accounting procedures  
as we considered necessary in the circumstances.

unction with the accompanying notes, presents fairly the financial  
ch generally accepted accounting principles.

DELOITTE, PLENDER, HASKINS & SELLS,  
Chartered Accountants.



**NOTES TO PRO FORMA BALANCE SHEET  
AS AT SEPTEMBER 1, 1963**

1. Letters Patent of Amalgamation dated October 25, 1963, confirmed an agreement dated as at September 1, 1963, entered into by Berry Enterprises Ltd., Fleet Enterprises Ltd., Worth Investments Ltd., Downing Holdings Ltd., Ingersoll Investments Ltd., Milford Investments Ltd., Sanford Investments Ltd., Borebank Investments Ltd., Chestnut Investments Ltd., Hydraulic Engineering Parts Ltd., Hydraulic Engineering Export Sales Ltd., Northern Royalties & Management Co. Ltd., Hydraulic Engineering Sales Manitoba Co. Ltd., Chelsea Investments Ltd., Camrose Holdings Ltd., Chambers Investments Ltd., Pittsburg Enterprises Ltd., Linden Enterprises Ltd., Harper Investments Ltd., Versatile Farm Equipment Ltd., Southern Investments Ltd., Bardal Investments Ltd., Albany Investments Ltd., Fort Garry Farm Services Ltd., and Hydraulic Engineering Manufacturing Co. Ltd. By the letters patent the above companies are amalgamated and continue as one company under the provisions of Section 98 of The Companies Act of the Province of Manitoba.

2. The Letters Patent of Amalgamation provides for an authorized capital of 2,000,000 common shares without par value and the issue of 920,000 fully paid shares to the shareholders of the amalgamated companies in exchange for the shares of capital stock of the amalgamated companies issued and outstanding as at September 1, 1963.

3. Preliminary expenses are estimated at \$35,000 and have been provided for in the accompanying statement.

4. Construction of a new plant having an area of 173,000 sq. ft. is in progress on land held in the Municipality of Fort Garry, Manitoba. The contracted cost is \$718,000 of which \$35,000 has been paid at September 1, 1963. Equipment requirements are estimated at \$132,000, making a total of \$850,000 for a new plant and equipment. In addition the construction of an attached office and administrative building estimated to cost \$175,000 has been contracted for.

The agreement with the Municipality of Fort Garry for the purchase of the land includes, in addition to the obligation to erect the building now under construction, an obligation to commence on or before July 1, 1969 and to complete on or before July 1, 1970 an addition or a new building having a minimum floor area of 92,000 sq. ft. and of equal value per square foot to the building now under construction. In the event this additional obligation is not met the municipality has the option of repurchasing part of the land now held having an approximate area of 9.6 acres.



## STATUTORY INFORMATION

1. The full name of the Company is Versatile Manufacturing Ltd. (hereinafter called "the Company"). The address of the head office of the Company is 1260 Clarence Avenue, Fort Garry, Manitoba.
2. The Company was incorporated under the laws of the Province of Manitoba by letters patent of amalgamation dated October 25, 1963. The said letters patent amalgamated and formed one company of the following companies, each of which were theretofore incorporated by letters patent under The Companies Act of Manitoba:  
  
Berry Enterprises Ltd., Fleet Enterprises Ltd., Worth Investments Ltd., Downing Holdings Ltd., Ingersoll Investments Ltd., Milford Investments Ltd., Sanford Investments Ltd., Borebank Investments Ltd., Chestnut Investments Ltd., Hydraulic Engineering Parts Ltd., Hydraulic Engineering Export Sales Ltd., Northern Royalties & Management Co. Ltd., Hydraulic Engineering Sales Manitoba Co. Ltd., Chelsea Investments Ltd., Camrose Holdings Ltd., Chambers Investments Ltd., Pittsburg Enterprises Ltd., Linden Enterprises Ltd., Harper Investments Ltd., Versatile Farm Equipment Ltd., Southern Investments Ltd., Bardal Investments Ltd., Albany Investments Ltd., Fort Garry Farm Services Ltd., and Hydraulic Engineering Manufacturing Co. Ltd.
3. The Company is engaged in the manufacture and sale of agricultural farm machinery.
4. The names in full, present occupations, and home addresses of the officers and the directors of the Company are as follows:

### Officers

PETER PAKOSH.....	President.....	676 Kildonan Drive, East Kildonan, Manitoba
ROY ELGIN ROBINSON.....	Vice-President.....	227 Lodge Avenue, St. James, Manitoba
STEPHEN HRAB.....	Manager, Production and Design.....	1850 Henderson Highway, North Kildonan, Man.
ARCHIE ROBERT MICAY, Q.C.....	Secretary and Treasurer.....	294 McAdam Avenue, Winnipeg, Manitoba

### Directors

PETER PAKOSH.....	Executive.....	676 Kildonan Drive, East Kildonan, Manitoba
ROY ELGIN ROBINSON.....	Executive.....	227 Lodge Avenue, St. James, Manitoba
ARCHIE ROBERT MICAY, Q.C.....	Barrister.....	294 McAdam Avenue, Winnipeg, Manitoba
DONALD JOHN McDONALD.....	Executive.....	32 Mount Royal Crescent, St. James, Manitoba
GORDON PETER OSLER.....	Executive.....	12 Ruskin Row, Winnipeg, Manitoba

5. The auditors of the Company are Deloitte, Plender, Haskins and Sells, Chartered Accountants, 60 Osborne Street, North, Winnipeg 1, Manitoba.
6. Montreal Trust Company at its principal office in Toronto, Winnipeg, Calgary and Vancouver is the Registrar and Transfer Agent for the common shares without nominal or par value in the capital stock of the Company.
7. The authorized share capital of the Company consists of 2,000,000 common shares without nominal or par value, of which 920,000 shares have been issued and are outstanding as fully paid and non-assessable.
8. The shares offered are presently outstanding common shares without nominal or par value, and no conditions are attached to them. The holders of the common shares are entitled to one vote at all meetings of shareholders in respect of each common share held.
9. There are no bonds or debentures outstanding or proposed to be issued, or other securities issued or proposed to be issued, which, if issued, will rank ahead of or pari passu with the common shares offered by this prospectus.
10. No substantial indebtedness is to be created or assumed by the Company which is not shown in the accompanying balance sheet of the Company as at September 1, 1963.
11. No securities of the Company are covered by options outstanding and no options are presently proposed to be given by the Company.



12. The securities offered by this prospectus are outstanding common shares. The price at which such common shares are hereby offered to the public and the conditions of the offer are as stated on the face of this prospectus, to which reference is hereby made. No securities of the Company have been offered for subscription within the two years preceding the date of this prospectus and no commission has been paid or is payable by the Company in respect of the common shares referred to in this paragraph.
13. The estimated net proceeds to be derived from the common shares offered on the basis of such securities being fully taken up and paid for are \$1,974,000; however, as the common shares offered are outstanding the proceeds of the sale thereof will not be paid to the Company, but will be retained by Midland-Osler Securities Limited (hereinafter sometimes called "the Underwriters"). Legal and auditing expenses and the cost of printing and engraving share certificates, estimated not to exceed \$35,000, are to be paid out of the general funds of the Company; other expenses relating to this offering are to be borne by the Underwriters.
14. The 420,000 common shares offered by this prospectus were acquired by the Underwriters from Peter Pakosh and Roy E. Robinson, principal shareholders and directors of the Company. No part of the proceeds of the sale of the common shares offered by this prospectus will be received by the Company.
15. No amount is being raised in connection with the present offering by the issue by the Company of shares of the capital stock of the Company.
16. The Company has entered into an agreement dated as of November 12, 1963, with the Underwriters and Peter Pakosh and Roy E. Robinson whereby, subject to the fulfilment of certain conditions, Peter Pakosh and Roy E. Robinson will sell and the Underwriters will purchase the 420,000 common shares offered by this prospectus for \$1,974,000 in cash against delivery of the said shares. Reference is made to paragraph 13 hereof regarding the payment of expenses.
17. The by-laws of the Company provide that the directors shall be paid such remuneration, if any, as the Board of Directors may from time to time determine.
18. The predecessor companies referred to in paragraph 2 hereof did not pay any remuneration to their directors as such during the nine month period ended August 31, 1963. The aggregate remuneration paid by the predecessor companies during the last nine month period ended August 31, 1963, to the officers thereof who individually received remuneration in excess of \$10,000 per annum was \$76,100. The aggregate remuneration estimated to be payable by the Company during the current financial year of the Company to the directors as such is \$3,500 and to the officers of the Company who individually will or may be entitled to receive remuneration in excess of \$10,000 is \$100,000.
19. No commissions have been paid within the two years preceding the date hereof by any of the companies referred to in paragraph 2 hereof or are now payable by the Company for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or obligations of the Company. Reference is made to paragraph 16 as to the purchase price in respect of the common shares offered by this prospectus.
20. The estimated amount of the preliminary expenses of the Company is \$35,000.
21. No property has been purchased or acquired by the Company, or is proposed to be purchased or acquired, the purchase price of which is to be defrayed, in whole or in part, out of the proceeds of the common shares offered by this prospectus, or has been paid within the two years preceding the date hereof, or is to be paid in whole or in part in securities of the Company or securities of any of the companies referred to in paragraph 2 hereof, or the purchase or acquisition of which has not been completed at the date hereof, other than transactions entered into in the ordinary course of operations or on the general credit of the Company, and other than a new plant and office building being constructed on 37 acres of land owned by the Company and located in The Rural Municipality of Fort Garry, Manitoba. The estimated cost of such new plant, office building and equipment upon completion is \$1,025,000, which will be paid for out of the general funds of the Company.
22. The names and addresses of the vendors of the lands referred to in paragraph 21 hereof are as follows:  
The Rural Municipality of Fort Garry, Fort Garry, Manitoba.  
Richard Dierckens and Bessie Dierckens, 1266 Clarence Ave., Fort Garry, Manitoba.  
Emerick Bonne, 1146 Clarence Ave., Fort Garry, Manitoba.  
Frank Blandford, 1330 Clarence Ave., Fort Garry, Manitoba.  
Robert Vermeulen and Yvonne Christine Vermeulen, 1336 Clarence Avenue, Fort Garry, Man.  
No amount is owing to any of the vendors of the said lands.



23. No securities have been issued or agreed to be issued by the Company or by any of the companies referred to in paragraph 2 hereof within two years preceding the date hereof as fully or partly paid up otherwise than in cash.
24. No obligations are offered by this prospectus.
25. No services rendered or to be rendered to the Company are to be paid for by the Company wholly or partly out of the proceeds of the securities offered by this prospectus or have been within two years preceding the date hereof or are to be paid for by securities of the Company.
26. No amount has been paid within the two years preceding the date hereof or is intended to be paid to any promoter.
27. Neither the Company nor any of the companies referred to in paragraph 2 hereof has entered into any material contracts within the two years preceding the date hereof other than a contract with McAllister Contracting Co. Ltd., general contractors, respecting the construction of the new plant referred to in paragraph 21 hereof and other than an agreement made with The Rural Municipality of Fort Garry with respect to the land purchased from it, wherein it was agreed that, in addition to erecting the building now under construction, construction would be commenced on or before July 1, 1969 and completed on or before July 1, 1970, of an addition to the said building or of a new building having a minimum floor area of 92,000 square feet and being of equal value per square foot to the building now under construction. The failure to meet the foregoing obligations entitles the said Municipality, at its option, to re-purchase a portion of the land owned by the Company having an approximate area of 9.6 acres.

Copies of the above-mentioned contract and agreement may be inspected at the office of the Company, Partridge and Aikins, West Kildonan, Manitoba, during ordinary business hours during the course of primary distribution to the public of the securities offered by this prospectus.

28. No director of the Company had any interest in the promotion of, or in any property acquired by the Company or by any of the companies referred to in paragraph 2 hereof within the two years preceding the date hereof, and the Company does not presently propose to acquire any property in which any director has an interest.
29. The business of the Company has been carried on since September 1, 1963 under the terms of an agreement to amalgamate, confirmed by letters patent of amalgamation dated October 25, 1963, and the businesses of each of the companies referred to in paragraph 2 hereof that were carried on for less than three years prior to the said agreement to amalgamate were those of the following companies, each of which was carried on for the length of time indicated:

Berry Enterprises Ltd.....	9 months	Chelsea Investments Ltd.....	32 months
Fleet Enterprises Ltd.....	9 months	Camrose Holdings Ltd.....	3 months
Worth Investments Ltd.....	9 months	Chambers Investments Ltd.....	3 months
Downing Holdings Ltd.....	32 months	Pittsburg Enterprises Ltd.....	9 months
Ingersoll Investments Ltd.....	32 months	Linden Enterprises Ltd.....	9 months
Milford Investments Ltd.....	32 months	Harper Investments Ltd.....	9 months
Sanford Investments Ltd.....	32 months	Versatile Farm Equipment Ltd.....	1 month
Borebank Investments Ltd.....	32 months	Bardal Investments Ltd.....	9 months
Chestnut Investments Ltd.....	32 months	Albany Investments Ltd.....	9 months

30. Peter Pakosh and Roy E. Robinson, directors of the Company, whose addresses are as stated in paragraph 4 hereof, by reason of beneficial ownership of common shares in the capital stock of the Company and by reason of an agreement in writing with other shareholders of the Company, will be in a position to, or entitled to, elect or cause to be elected a majority of the directors of the Company.
31. No securities of the Company are held in escrow.
32. Particulars of dividends paid by the Company or any of the companies referred to in paragraph 2 hereof during the preceding five years are as follows:

Company	Amount of Dividends Declared and Paid	Date
Hydraulic Engineering Parts Ltd.		
Preferred Shares.....	\$ 75.00.....	August 31, 1963
Common Shares.....	\$11,398.38.....	August 31, 1963



**33. There are no other material facts not disclosed in the foregoing.**

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario), by Section 39 of The Securities Act, 1954 (Saskatchewan), by Part IX of The Securities Act, 1955 (Alberta) and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statement or reports required or exigible.

DATED this 20th day of November, 1963.

**DIRECTORS**

PETER PAKOSH

ROY E. ROBINSON

A. R. MICAY

D. J. McDONALD

G. P. OSLER

by his agent D. J. McDONALD

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario), by Section 39 of The Securities Act, 1954 (Saskatchewan), by Part IX of The Securities Act, 1955 (Alberta) and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

Midland-Osler Securities Limited

By: W. LYLE DYKER

The following includes the names of all persons having an interest directly or indirectly to the extent of not less than five per cent in the capital of Midland-Osler Securities Limited:

E. M. Kennedy, David B. Weldon, J. T. Skelly, C. W. McBride, E. H. Gunn, R. G. McCulloch, W. A. Stewart.









13.

ANNUAL MEETINGS

The business of the Company has been carried on since September 1, 1963 under the terms of an agreement to amalgamate, confirmed by Letters Patent of Amalgamation dated October 25, 1963. The Company's first annual meeting has not taken place. The general by-laws of the Company provide that an annual meeting of the shareholders of the Company shall be held once in each year on such day as the directors of the Company may decide. The directors of the Company have not yet fixed the date of the first annual meeting.

14.

HEAD AND OTHER OFFICES

The address of the head office of the Company is 1260 Clarence Avenue, Fort Garry, Manitoba. The Company has an office at Partridge & Aikins, West Kildonan, Manitoba. The Company intends to vacate this office on or before July 1, 1964 on completion of the office portion of its head office facilities.

15.

TRANSFER AGENT

Montreal Trust Company at its principal office in Toronto, Winnipeg, Calgary and Vancouver is the transfer agent for the common shares without nominal or par value in the capital stock of the Company.

16.

TRANSFER FEE

No fee is charged on stock transfers other than Government stock transfer taxes.

17.

REGISTRAR

Montreal Trust Company at its principal office in Toronto, Winnipeg, Calgary and Vancouver is the registrar for the common shares without nominal or par value in the capital stock of the company.

18.

AUDITORS

Deloitte, Plender, Haskins and Sells, Chartered Accountants, 60 Osborne Street North, Winnipeg 1, Manitoba, are the auditors of the Company.

19.

OFFICERS AND DIRECTORS

The names in full, address and occupation during the past five years of each officer and director of the Company are as referred to in paragraph four, page ten, under the title, "Statutory Information," of the prospectus of the Company dated November 20, 1963.

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, the Applicant Company, Versatile Manufacturing Ltd. hereby applies for listing the above mentioned securities on The Toronto Stock Exchange and the undersigned officers hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

VERSATILE MANUFACTURING LTD.

{ Corporate Seal }

Per: "PETER PAKOSH"  
President  
Per: "A. R. MICAY"  
Secretary.

CERTIFICATE OF UNDERWRITER

To the best of our knowledge, information and belief, all of the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

{ Corporate Seal }

MIDLAND-OSLER SECURITIES LIMITED  
Per: "C. W. McBRIDE"  
Per: "R. G. McCULLOUGH"

STATEMENT SHOWING NUMBER OF SHAREHOLDERS

Distribution of Common Stock as of January 14th, 1964

Number						Shares
50	Holders of	1	—	99	share lots	1,835
349	" "	100	—	199	" "	34,475
213	" "	200	—	299	" "	42,900
56	" "	300	—	399	" "	17,900
37	" "	400	—	499	" "	14,905
110	" "	500	—	999	" "	60,700
67	" "	1000	—	up	" "	747,285
882	Shareholders				Total shares	920,000



